



Minnesota Gambling Control Board

# GAMING NEWS

## JANUARY/FEBRUARY/MARCH 2012

### DIRECTOR'S COLUMN

Tom Barrett, Executive Director

Gambling Control Board  
William Goede, Chair  
(Plainview)  
Committee: Executive

Norm Pint, Vice-Chair  
(New Prague)  
Committees: Executive;  
CRG (chair)

William Gillespie,  
Secretary (St. Paul)  
Committees: Executive;  
Legislative (chair); CRG

Robert Hyde (Plymouth)  
Committees: Rules (chair)

Geno Fragnito  
(Woodbury)  
Committees: Rules,  
Legislative

Susan McCarville  
(Hopkins)  
Committees: Rules; CRG

Gary Sigfrinius (Forest  
Lake)  
Committees: Legislative

## A dvertising and Marketing...Are You in the Game?

With the recent changes in statute and rules that eliminated most of the restrictions on advertising, it is time for the industry...and the Board...to look at what new concepts can be used.

Staff developed an Advertising and Marketing class that has been presented at several venues in the past few months. The class will be the focus on our continuing education schedule in May of this year.

We're still in the process of developing guidelines for advertising and marketing.

Has your organization developed an interesting or creative advertising or marketing tool to help promote your lawful gambling activities? Or, do you have a question? If yes, we would like to hear from you.

Send your suggestions or questions to:

Gambling Control Board  
Attention Chris Mau,  
1711 West County Road B,  
Suite 300 S,  
Roseville, MN 55113.

We look forward to your input, and will provide more detailed information in the next issue of *Gaming News*.

*"Has your organization developed an interesting advertising or marketing tool to help promote your lawful gambling activities? Or, do you have a question? If yes, we would like to hear from you."*

### Monthly board meetings are open to the public and held at:

Gambling Control Board  
Suite 300 South  
1711 West County Road B  
Roseville, Minnesota.

Meetings start at 10 am.  
Tuesday, February 21, 2012  
Monday, March 19, 2012  
Monday, April 16, 2012  
Monday, May 21, 2012  
Monday, June 18, 2012

The agenda is posted at:  
[www.gcb.state.mn.us](http://www.gcb.state.mn.us)

## Receipts on the Upswing

Gross receipts for September and October 2011 showed positive growth once again for the lawful gambling industry.

For calendar year 2011, to date, each month has had an increase in gross receipts, a far cry from the negative decreases that we've seen since 2000.

## E -tabs and E-bingo on the Horizon?

A hot topic at the Legislature this year is gambling. And, the lawful gambling industry is part of the discussion, especially when it comes to a possible proposal to allow electronic pull-tab and bingo games.

While it is too soon to know what direction gambling legislation will take, the Board is prepared to provide information on its regulatory perspective.

Staff been working with industry representatives to gather and provide information...

Stay tuned!

## CONTINUING EDUCATION CLASSES

- Preregistration is not required for continuing education classes.
- Classes are FREE and open to the public.
- Gambling managers must attend at least one class EACH CALENDAR YEAR.
- Check our website at [www.gcb.state.mn.us](http://www.gcb.state.mn.us) for updates and changes.



**TOPIC:**  
**ADVERTISING AND MARKETING**  
**... ARE YOU IN THE GAME**

*What do the pictures on this page represent? They are part of the topics covered in the Advertising and Marketing classes that will be conducted in May 2012.*

*The class will address what your organization can do to help promote your gambling activities . . . with signs, building enhancements, lighting, promotional items, and social media.*

**May 3, 2012, 7:00 pm**  
Lyon County Government Center,  
Commissioner Rooms 1 and 2  
607 Main Street  
**Marshall**

**May 8, 2012, 7:00 pm,**  
Gambling Control Board  
Suite 300 South  
1711 West County Road B  
**Roseville**

**May 8, 2012, 7:00 pm,**  
Plaza Hotel and Suites  
Rosewood II Room  
1025 Highway 61 East  
**Winona**

**May 8, 2012, 7:00 pm**  
C'Mon Inn  
1586 Highway 59 South  
**Thief River Falls**

**May 10, 2012, 7:00 pm**  
BestWestern Kelly Inn  
University A Room  
100 4th Avenue South  
**Saint Cloud**

**May 16, 2012, 7:00 pm**  
Forestry Service Center  
Stine Room  
175 University Road  
**Cloquet**

*Continuing education classes will not be conducted  
in March, April, June, and July 2012.*

## GAMING NEWS

The Compliance Review Group (CRG), a committee of the Gambling Control Board, meets with licensees to conduct informal inquiries into alleged violations of lawful gambling statutes and rules. This information is a condensed report of recently completed CRG conferences. Penalties imposed are based on specific and unique information reviewed for each licensee.

## CRG REPORT

LICENSEES	CONSENT ORDER ALLEGATIONS	CONSENT ORDER REQUIREMENTS
<b>Waseca Wrestling Club, License 36167</b>	<ul style="list-style-type: none"> <li>Filed inaccurate information with Revenue.</li> <li>Failed to maintain deposit records to determine deposits made from each permitted premises; failed to make deposits within four business days.</li> <li>Failed to have all checks signed by two active members.</li> <li>Failed to timely file monthly tax returns.</li> <li>Made unlawful purpose or unallowable expense expenditures.</li> <li>Failed to reconcile its profit carryover with its cash balance on hand.</li> <li>Failed to accurately complete Schedule F's.</li> <li>Failed to submit license application changes within ten days of the change.</li> <li>Failed to maintain internal controls sufficient to protect the integrity of its lawful gambling.</li> <li>Failed to maintain records that account for its assets, liabilities and fund balance.</li> <li>Failed to comply with the Board's request for records in a timely manner.</li> <li>Failed to sufficiently supervise the conduct of lawful gambling.</li> </ul>	<ul style="list-style-type: none"> <li>File a termination plan with the Gambling Control Board.</li> <li>Lawful gambling license revoked for two years.</li> </ul>
<b>Elba Snowbirds License 04861</b>	<ul style="list-style-type: none"> <li>Failed to comply in a timely manner with the Board's request for records to conduct a compliance review.</li> <li>Failed to file an annual summary report .</li> </ul>	<ul style="list-style-type: none"> <li>30 day suspension.</li> <li>Provide all information required for compliance review within 30 days.</li> </ul>
<b>American Legion Post 586, Lonsdale, License 02150</b>	Conducted lawful gambling, without the supervision of a licensed gambling manager.	\$100 civil penalty.
<b>St. Paul North Ramsey 500 Lions Club, License 01878</b>	Failed to expend a minimum of 30% of gross profits for lawful purpose for a second consecutive fiscal year.	\$1,000 fine.
<b>VFW Post 10796, Ham Lake, License 05861</b>	<ul style="list-style-type: none"> <li>Failed to maintain sufficient records to reflect expenses.</li> <li>Failed to accurately complete Schedule F's.</li> <li>Failed to comply in a timely manner with the Board's request for records.</li> </ul>	<ul style="list-style-type: none"> <li>\$1,000 Fine</li> <li>File corrective action plan.</li> <li>Establish a Gambling Oversight Committee.</li> <li>Reconcile profit carry over variance.</li> <li>Resolve all issues in the Compliance Review Report.</li> </ul>

## CRG REPORT—CONTINUED

LICENSEES	CONSENT ORDER ALLEGATIONS	CONSENT ORDER REQUIREMENTS
<b>Watkins Lions Club, License 01608</b>	Conducted lawful gambling without the supervision of a licensed gambling manager.	\$100 civil penalty.
<b>Merrick Inc., License 00264</b>	Illegal gambling occurred at Bleacher's Bar and Grill.	Prohibited from paying rent for 90 days.
<b>Justin Polzin, Three Diamond Corporation, License DI017</b>	Identified a potential gambling location for a licensed organization.	\$500 civil penalty.

### CITATIONS—November & December 2011; January 2012

Licensee	Violation	Amount

# Advertising and Marketing—Frequently Asked Questions

As mentioned previously in this newsletter, we are working on developing guidelines on using lawful gambling funds for advertising and marketing. Here are some of the questions that we have received on the issue.

## Mugs and T-shirts

**Q** Can we use gambling funds to pay for mugs that we give free to the first 10 people who buy a bingo package at our Friday night bingo occasion? The mugs would promote our Monday night bingo.

**A** Yes.



*Mugs and T-shirts...when is it OK to pay for them with gambling funds and give them away?*

**Q** Can we use gambling funds to buy and resell T-shirts that promote our Monday night bingo occasions?

**A** No. Gambling funds may not be used for fundraising activities.



**Q** Can we use gambling funds to pay for mugs that we give away free to anyone who buys 50 or more pull-tab tickets? The mugs would promote our pull-tab games.

**A** Yes.

**Q** Can we use gambling funds to pay for T-shirts or mug that we give free to all of our members. The items would promote our Monday night bar bingo?

**A** Yes, as long as your organization has a policy on their distribution, such as members are encouraged to wear them in the community to help promote the bingo activity. A word of caution...don't use gambling funds just to be able to buy T-shirts for members only.

**Q** Can we use gambling funds to pay for mugs that we give away free to anyone who purchases a pull-tab ticket and has a winning ticket of \$100 or more? The mugs would promote our pull-tab games.

**A** No, because the value of the mug would be considered part of the prize value of the winning ticket.

## Lighting



**Q** Our pull-tab booth is located in a dimly lit back room. Can we use some type of blinking lights to help attract customers to our booth, and use gambling funds for pay for the lights?

**A** Yes. Lighting options such as blinking lights, neon signs, or animated signs may be used and pay for with gambling funds.

**Q** Our organization would like to place pastel-colored flood lights on the outside of the building that we owned to attract customers. May we pay for the cost with gambling funds?

**A** Yes. For organization-owned buildings, the cost is permissible from gambling funds.

If the building is leased, then the cost must be paid for by the lessor,

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LG1012

Insert cash shortages

Gambling Control Board  
Suite 300 South  
1711 West County Road B  
Roseville, Minnesota 55113

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ST PAUL MN

## TRENDS IN LAWFUL GAMBLING GROSS RECEIPTS

NOTE: Figures for the current calendar year are subject to change due to amended, corrected, or late tax returns.

	Calendar year 2011	%Change from 10	Calendar year 2010	%Change from 09	Calendar year 2009
January	79,699,000	0.99%	78,919,000	-5.66%	83,654,000
February	80,386,000	1.60%	79,120,000	-4.95%	83,237,000
March	93,837,000	3.37%	90,774,000	-1.48%	92,137,000
April	90,492,000	6.60%	84,887,000	-3.03%	87,535,000
May	85,186,000	3.56%	82,260,000	-4.91%	86,506,000
June	79,608,000	1.90%	78,121,000	-2.62%	80,222,000
July	82,786,000	2.19%	81,008,000	-2.68%	83,238,000
August	83,300,000	4.91%	79,398,000	-4.61%	83,231,000
September	84,096,000	4.48%	80,490,000	2.81%	78,288,000
October	87,760,000	4.87%	83,686,000	-0.21%	83,865,000
November			77,810,000	-1.50%	78,998,000
December			77,158,000	-0.63%	77,644,000
	<b>847,150,000</b>	<b>3.48%</b>	<b>973,631,000</b>	<b>-2.50%</b>	<b>998,555,000</b>

### LAWFUL PURPOSE EXPENDITURES (includes taxes and fees)

January 2011 . . . . . \$6,725,000	May 2011 . . . . . \$9,956,000	September 2011 . . . . . \$
February 2011 . . . . . \$6,788,000	June 2011 . . . . . \$9,622,000	October 2011 . . . . . \$
March 2011 . . . . . \$9,077,000	July 2011 . . . . . \$4,409,000	
April 2011 . . . . . \$8,608,000	August 2011 . . . . . \$5,169,000	

### AGENCY INDEX

<b>Gambling Control Board</b> <a href="http://www.gcb.state.mn.us">www.gcb.state.mn.us</a> Roseville . . . . . 651-639-4000 St. Peter . . . . . 507-931-5112 Hibbing . . . . . 218-262-7301 Fergus Falls . . . . . 218-739-7402 <b>Department of Revenue</b> <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a> Lawful Gambling Tax Unit . 651-297-1772 Email: <a href="mailto:lawfulgambling.taxes@state.mn.us">lawfulgambling.taxes@state.mn.us</a>	Department of Public Safety <a href="http://www.dps.state.mn.us">www.dps.state.mn.us</a> Alcohol & Gambling Enforcement . . 651-201-7500 Minnesota's Bookstore . . . . . 1-800-657-3757 <a href="http://www.minnesotasbookstore.com">www.minnesotasbookstore.com</a> Internal Revenue Service Forms . . . . . 1-800-829-1040 Questions . . . . . 651-312-7716 Minn. Problem Gambling Helpline . . 1-800-333-HOPE <a href="http://www.nojudgment.com">www.nojudgment.com</a>
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